

EXHIBIT L

1st Situation Report

of the Firm VICENTIN

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BY WAY OF INTRODUCTION

The present report will present elements that allow to appreciate the economic situation of Vicentín SAIC, as well as the reasons that explain that situation.

First, we will make a quick presentation of the information available from the sales ranking of the 200 companies with the highest turnover, which will allow us to have a first look at the economic dynamics of the firm in the latest years, particularly, from the assumption of the Government of "Cambiemos" in the period 2015 - 2019.

In second place, we will present the journalistic information that shows the particular seriousness of the company's debt situation, as well as the journalistic implications of the company's investments, and also its controversial role in financing the "Cambiemos" presidential campaign in the 2019 presidential elections.

Finally, we will make a brief analysis of the available balance sheet of Vicentin for the year 2018, (strictly for the period between November 1st, 2017 and 31st October, 2018). We have not been able to access the last balance sheet, which should include the period from November 1st, 2018 to October 31st, 2019.

I. VICENTIN'S SALES DYNAMICS DURING THE PERIOD OF "CAMBIEMOS"

The data available from the sales ranking of the 200 companies with the highest turnover in the country are conclusive: Vicentín, which was ranked 19 of the 200 companies in 2015 and was the 4th cereal company in this group of companies (surpassed by Cargill, Aceitera General Deheza and the Asociación De Cooperativas Argentinas); in 2018, *it will occupy the 6th place in the total ranking and in the same process, it will occupy the first place in the of the ranking cereal companies.*

The data speaks for itself, in all the years of the previous government's period, *Vicentín's sales exceeded the average sales of these 200 companies.* In the annual accumulated of the 3 years considered, while the total of the companies of greater sales had an average annual expansion of 51.36%; Vicentín far exceeded that percentage by an annual average of 83.87%.

Table 1: Annual Sales of Vicentin and companies with the highest turnover in the country. In millions of pesos. 2015 – 2018.

Years	2015	2016	2017	2018
Vicentin	27.100	45.200	61.335	118.015
Ranking Position	19	10	7	6
Total	2.060.785	2.858.574	3.478.711	6.294.297

Source: Own elaboration based on "Revista Mercado", several editions.

Table 2: Annual turnover growth of Vicentin and companies with the highest turnover in the country. Accumulated of the period and annual average

Years	2016	2017	2018	Accumulated	Annual Average
Vicentin	27.100	45.200	61.335	118.015	
Vicentin	66,79%	35,70%	92,41%	335,48%	83,87%
Companies with the highest turnover in the country	38,71%	21,69%	80,94%	205,43%	51,36%

Source: Own elaboration based on "Revista Mercado", several editions.

II. VINCENTIN'S INVESTMENTS AND CONTRIBUTION TO THE "CAMBIEMOS" CAMPAIGN

According to press reports, Vicentín announced that due to "financial stress" (¿?) it will not pay the 23.5 billion pesos it owes to the banks (18 thousand to Argentine National Bank –“*Banco de la Nación Argentina*”-), nor the US\$ 350 million with agricultural producers, plus all the financing he took on the stock exchange, nor everything he owes to international banks of dollar credit.

Vicentín, through its subsidiaries, was the main contributor to Mauricio Macri's presidential campaign. According to Rosario journalist Germán Mangione in a note dated October 11th, 2019, denounces that in the records of campaign contributions for the PASO that the electoral law provides for it to be made public, it is noted that *the company that most contributed to “Cambiamos” presidential campaign was Vicentín*, which different companies in his group made a total donation of \$13,500,000. Of this total, contributions of \$4,500,000 were distributed among three of the Vicentín group companies (Oleaginosa Moreno, Algodonera Avellaneda and Frigoríficos Friar S.A.). It should be noted that the other economic group that made more contributions to Cambiamos for the PASO is another of the same category as Vicentín; in this case it is Aceitera General Deheza, which contributed \$10,000,000.

On the other hand, the \$23.5 billion pesos in which Vicentin is indebted in the domestic financial market represents 20% of the turnover of 2018 (not 2019) and within it, the debt with Argentine National Bank (“*Banco de la Nación Argentina*”) of \$18 billion is only 15% of its turnover in 2018. *Doesn't seem to be a case of financial stress*. The weight of debt on sales in many other companies far exceeds their sales For example, the firm Arcor presents (to September 2018) a liability of \$26,270 million (and total sales of \$50 billion). In this case, current liabilities is 50% higher than sales for the period. More than double what it represents for Vincentin. Arcor's case is even more serious because this firm has a loss in that period of \$151 million, as a result of the fact that despite having operating profits of \$6 billion, it has a loss on financial debt (due to the effect of its indebtedness) of \$12.3 billion which is partially offset by devaluation gains in its other companies for the amount of \$6.2 billion.

If we take YPF as an example, the Argentina's leading company, to September 2018 it has a current liability of \$190 billion and its sales for the period are \$290 billion. In other words, YPF's current liabilities represent 65% of sales for the period. Much tighter than 20% of Vincentin.

Table 3: Vincentín's debt relations. 2019 debt data and Sales of 2018

DEBT VARIABLES	Amounts in millions and %.
2018 Sales	118.015
Debt with Argentine National Bank ("Banco de la Nación Argentina")	18.500
% of BNA debt / Sales	15,7%
Total Debt	23.500
% Total Debt / Sales	19,9%

Source: Own elaboration based on journalistic sources and Revista Mercado

On the other hand, another of the journalistic transcendencies focuses on the politics of Vincentín's international debt as one of the explanatory factors of his crisis. In fact, in a note dated January 25th, 2018 from "El Cronista Comercial" ("*Vicentín obtains U\$S 295 million to shore up its export business*") reports that Vincentín obtained a loan of U\$S 295 million to finance operation of soybean milling through the firm Renova, a joint venture in partnership with Glencore, world grain trader. This financing was granted by the banks of the International Finance Corporation (IFC), a member of the World Bank, Natixis and Rabobank.

Recently, according to a note from Clarín dated December 18th, 2019 ("*Vicentin divest a part of Renova to its partner Glencore*"), reveals that as a result of the financial difficulties that Vincentín is going through, the firm transferred 16.67% to its partner Glencore of Renova's capital stock, with Glencore holding 66.67% of the shares of the Renova SA.

Independently of Vincentin's portfolio management, it is important to point out the ***trade off in which the firm finds itself***, between the fulfilment of its liabilities with international financial actors (such as the International Finance Corporation, belonging to the Group of the World Bank) and the one it holds with the financial actors of the domestic market, like the one held with Argentine National Bank ("*Banco de la Nación Argentina*")

In this regard, Table 4 shows that the debt in dollars to the Corporation International Finance for the last of its financing, is practically equivalent to same amount the company owes to Argentine National Bank ("*Banco de la Nación Argentina*")

Table 4: Debt in dollars with IFC and debt in pesos with Argentine National Bank ("*Banco de la Nación Argentina*"). Vincentín's debt relations. Debt data of 2019 and Sales of 2018.

DEBT VARIABLES	Amounts in millions and %.
Indebtedness in U\$S	295
Indebtedness in \$	17.700
Indebtedness in \$ with BNA	18.500
Debt in U\$S vs Debt with BNA	95,7%

Source: Own elaboration based on "Revista Mercado", several editions.

III. ANALYSIS OF VINCENTIN'S 2018 BALANCE SHEET

The balance sheet analysed is No. 60 of the company and covers the period from November 1st, 2017 to October 31st, 2018.

This is the penultimate annual balance sheet, we have not been able to find the one for 2019, if it has been presented.

The company's balance sheet information indicates that:

The Net Worth (Assets minus Liabilities) of the company is \$20.296 million.

This indicates that it **is not** a company with a large debt, since the sum of its assets exceeds that of its liabilities. There are many firms that have negative equity as a result of an excessive weight of their liabilities. This is not the case with Vicentín.

Net worth in 2018 grew by 68.3% compared to \$12,059 million in 2017. In other words, Vicentín was in a process of expansion and not a debt crisis.

Total Assets are \$64,272 million, of which 40% refers to non-current assets and 60% to current assets.

For their part, liabilities are \$43,976 million, of which current liabilities are 54%. They are \$23,733 million, of which loans are equivalent to \$19,528 million, and commercial debt is \$3,195 million. Non-current liabilities are \$20,242 million, of which loans are equivalent to \$17,477 million and tax charges are \$2,603 million.

Up to this point, the accounting information available about the firm does not justify considering it to be going through a difficult period due to the effect of its indebtedness. However, in the presentation of the financial statements, reference is made, in practically every items, to Annex G.

In that Annex G, which is presented in a single sheet of the balance sheet, on its page 62, in a only accounting table, is presented as part of the additional information of the signature, the Statement of Assets and Liabilities in foreign currency, comparing with the previous period.

In this single sheet, the firm reports that total assets in foreign currency increased from U\$S 278 million to U\$S 433 million. This represents an increase in assets of U\$S 155 million (a 56% increase in dollars). However, total liabilities, which were US\$ 805 million, grew to US\$ 1,109 million, an increase of US\$ 304 million (a 37% increase over previous liabilities).

In other words, in the face of a delicate financial situation in dollars, where liabilities exceeded U\$S 527 million (which means a negative equity in dollars of that magnitude); during 2018 the situation worsened, because the increase in liabilities (U\$S 304 million) in dollars was double (in absolute values) the increase in assets (U\$S 150 million), which means that the table of financial imbalance in foreign currency began to show a negative equity of U\$S 676 millions.

Nevertheless, even in spite of this delicate financial situation in dollars, according to the data of the Balance Sheet and considering the value of the exchange rate used in Annex G itself (of \$35.75 per dollar) the negative equity in foreign currency transformed into local currency, gives a negative result of \$25,000 million. It should be noted that this negative result in pesos from its equity statement in dollars is already contained in the consolidated equity statement, which it is good to remember is positive by \$20,296 millions. What the table shows is the fragility of the firm's asset structure in the face of significant variations in the exchange rate.

As an example, if we value the Statement of Assets in Appendix G at the current exchange rate (\$60 per dollar) it turns out that the impact of the exchange rate increase ***is much more pronounced on their liabilities than on their assets***. This would increase assets by only 16.4%, while liabilities would increase by 61.2%. This is explained by the low incidence of assets in Vicentín dollars, of barely 25%, while it presents a high commitment in foreign currency of its liabilities, ***which represent 90% of them***.

Within this framework and even with the simulation of an exchange rate that punishes the balance of Vicentín, because of its high debt in dollars, the firm, *ceteris paribus*, would present a positive equity in pesos of \$3,910.9 million.

Table 5: Vicentín's financial situation as to October 3st, 2018. At million pesos. Official and Simulation to Actual Exchange Rate.

	Official Exchange Rate at 35,75	Simulation Exchange Rate at 60	Differences	%
Total Assets	64.272,2	74.784,8	10.512,6	16,4%
In pesos	48.774,3	48.774,3	0,0	0,0%
In dollars	15.497,9	26.010,5	10.512,6	67,8%
Total Liabilities	43.976,1	70.873,9	26.897,8	61,2%
In pesos	4.322,7	4.322,7	0,0	0,0%
In dollars	39.653,4	66.551,2	26.897,8	67,8%
Net Worth	20.296,1	3.910,9	-16385,2	-80,7%

Source: Own elaboration based on Vicentín's Annual Accounting Statements. Statement of Assets and Annex G of the Balance Sheet.

The low allocation of Vicentín's assets in foreign currency is very striking, particularly for the "Goods of Exchange" item, which amounts to \$23,500 million (almost 50% of the assets in pesos), where only 5% equivalent to \$1,158 is considered to be attributable to a foreign currency realization (as reported in Annex G), in a context where, as the firm itself reports, 90% of its sales go abroad (see below), and the exchange goods are the goods that were not sold in the period, but are estimated to be sold in the successive periods, but in this case for the company by reversing the proportion of its placement, only 5% in the foreign market and 95% in local currency. Clearly here's an overly contradictory point in this firm's balance sheet.

If Vicentín's balance sheet is re-estimated by applying the percentage of foreign sales (close to 90%) to the valuation of the exchange assets and simulating the increase in the exchange rate (to \$60 per dollar), in this case the impact of the devaluation on the equity structure is still significant, it allows the firm (*ceteris paribus*) to maintain an equity net positive value of more than \$7,724.7 million. See Table 6.

Table 6: Vicentín's financial situation as of October 31, 2018. In millions of pesos. Official and Simulation to Actual Exchange Rate revaluating Goods of Change.

	Official Exchange Rate at 35,75	Simulation Exchange Rate at 60	Differences	%
Total Assets	64.272,2	78.598,6	14.326,4	22,3%
In pesos	48.774,3	27.654,0	-21.120,3	-43,3%
In dollars	15.497,9	50.944,6	35.446,7	228,7%
Total Liabilities	43.976,1	70.873,9	26.897,8	61,2%
In pesos	4.322,7	4.322,7	0,0	0,0%
In dollars	39.653,4	66.551,2	26.897,8	67,8%
Net Worth	20.296,1	7.724,7	-12.571,4	-61,9%

Source: Own elaboration based on Vicentín's Annual Accounting Statements. Statement of Assets and Notes 2.3 and Appendix G of the Balance Sheet

Given its importance, we will now break down Vicentín's liabilities, with particular consideration to those contained in Annex G. *It turns out that those who are in foreign currency are the most relevant.* In fact, current loans of \$19,528 million, *98.8% of which is in foreign currency* (equivalent to \$19,303 million). This is debt that, according to the balance sheet, is almost US\$ 540 million. Such debt is expressed at an exchange rate of \$35.75 per dollar. You can see here the problem of the debt in dollars, when this same debt is calculated at the current exchange rate, \$60 on the dollar, it's up to \$32.4 billion.

Of the current dollar loans, the most important is the one listed as "export pre-financing" which is US\$ 362.6 million (equivalent to 67% of these loans), followed by the item "banking" for US\$

116.9 million (22% of these loans). It can be seen, then, ***how the company charges in the opposite approach is followed in assets*** (as discussed above in the case of foreign exchange goods).

On the non-current loan side, which totalled \$17,747 million, the ones nominated in foreign currency are practically 100% of the total, of which the "export pre-financing" adds another \$388.9 million and the bank loans another \$100 million.

So far, then, it is the weight of the debt in dollars that is the ***key data*** of the firm's liabilities. In banking terms, the loans in dollars (current and non-current) are U\$S 216.9 million (which at the current exchange rate is \$13,014 million (exchange rate of \$60) and export financing loans (current and non-current) are the most relevant ones amount to U\$S 750.8 million, which in pesos is equivalent to \$45,050 million.

Very little is the burden of debt to the suppliers of raw materials. They are in the "current commercial liabilities" item, which in total is \$3,195 million, of which according to note 2.6 of the balance sheet, that for "raw materials" is \$1.157 billion and more importantly, the debt with suppliers who are firms of the same business group (these are its "controlled companies") amounting to \$1.165 million. Of these, the main one is with the firm Renova SA, which had in partnership equal parts with Glencore, and recently divested itself of a portion of its share package to address this debt (see Clarín's note).

Up to this point, a brief analysis of Vicentín SAIC's asset situation. In analyzing the income statements, i.e. the flow of its operations during the year, the first inconvenient is that it has been allowed to present the balance sheet on the basis of the inflation adjustment allowed by Technical Resolution No. 39 of the FAPCE¹, ratified by the Resolution No. 12/03 of the Superior Council of the CPESF², which, by allowing it to opt for to present flow information in homogeneous currency during the period, ***prevents compare it to the previous year***. Therefore there is no information available for the period of 2017. The balance sheet itself reports that the Income Statement can only be compared with that of the 2018 Property Status presented.

Before presenting the data from Vicentín's Balance Sheet Income Statement, it is worth remembering that, as we presented in tables 1 and 2 of this material, 2018 is the year in which the firm's turnover ***grew the most***, by 92.4% per year, which exceeds 35% in 2017 and even 66.7% in 2016.

With these exceptions, the Balance Sheet reports that in the period from November 1st, 2017 to October 31st, 2018 the firm Vicentín SAIC made total sales of \$104,174.3 million. This total sales is the net result of taking out \$12,241.8 million for export retention). In other words, the total sales without deducting the withholdings was \$116,415 million (an amount very similar to that reported by Mercado magazine of \$118,015); and on the other hand that the retentions to the exports represented ***only 10.5% of total sales***.

On the other hand, sales information shows that only \$14,816 million are related to the domestic market, only 12.7%; ***while exports represent 87.3% of the destination of their sales***. Note the

¹ Argentine Federation of Professional Councils in Economic Sciences (FAPCE)

² Professional Council of Economic Sciences of Santa Fe (CPESF)

contradiction that this implies with the fact of valuing in the assets to the goods of exchange, only in a 5% in dollars.

The cost of production is \$74 billion, amounting to a gross profit of \$30.186 million.

This gross profit is reduced by administration, marketing and other expenses, and there is an ***operating profit of \$25,745 million left.***

To this operating result, we add the earnings from its participation in other companies, which was \$1,586 million, resulting in a profit of \$27,331 millions.

At this point, the problematic item of "financial and holding result - including the result of the change in the purchasing power of the currency", which is nothing less than negative by \$25.486 million. Note that ***this item accounted for almost all of the firm's own operating profit*** (which is \$25,745 million). It's as if everything Vicentín would have earned in pesos as a result of his sales (the bulk of which are from exports) after the operating costs have been covered, the firm will consider them to be ***the result of the gain from the devaluation of the exchange rate***, and that as such it **should not be counted in the balance sheet**, and therefore detracts in a single line as permitted by Technical Resolution No. 6 of the Federation of Professional Councils in Economic Sciences and Council resolution 02/2018 Superior of the Professional Council of Economic Sciences of Santa Fe and the Resolution 539/18 of the JG FACPCE which allows this loss to be added on a single line, without giving no other explanation.

Thus, discounting this item, the company has a ***net profit of period of \$1,926.3 million***, of which 82% is related to the results of participation in other companies, and ***barely 18% represents Vicentín's result***. In other words, the \$1,926.3 million represents only ***1.6%*** of the \$116,415 million of sales of the firm in the period. But even worse, if you discount the results obtained by participation in other companies, specifically with respect to Vicentín, the firm declares a profit of only \$340 million; this represents no less than the 0.3% of its sales.

To make matters worse, the income tax payment shown on the balance sheet is only \$46.2 million. ***The company only pays 2.4% of the profits it claims!!!***

As a result, the profit for the year amounts to no less than \$1.88 billion. From these, after consigning the \$12.3 million in payments to the board, are added to the 9,363.3 million of results from other unallocated periods, and a total of ***\$11,243.5 million of available balances as an effect of unallocated earnings***. About this total is a final drawdown of no less than \$100 million in ordinary dividend payment to shareholders, leaving a final balance of \$11,143 million.

Two additional very illustrative balance sheet issues are, on the one hand, the agreement that has the company with its foreign creditors not to pay cash dividends in function of the debts incurred, which it expresses in point 12 of its balance sheet under the item ***"Restriction on profit distribution"***

And on the other hand and more relevant are the debt ***notifications that the company has received from the Argentine State***, mainly due to the lack of liquidation of withholding exports from previous periods (very presumably from the period that made up the scenario prior to and during the development of what became known as the "crisis of the 125" of 2008, where many companies made different payment avoidance mechanisms of tax withholding). In fact, as stated on page 54 of its balance sheet, on October 2012, the San Lorenzo Customs Office invites it ***to enter U\$S***

28,534,169 under the heading of "export duty differentials". Between November 2012 and January 2013, the company continued to receive notifications for the same concept, with an amount now of **U\$S 8,899,320**. In both cases the company presented itself to the Court by requesting the annulment of the proceedings on the ground that they are vitiated by "nullity absolute." The company, on the recommendation of its advisors, has not made legal provision for this tax litigation.

On the other hand, on April 5, 2013, the San Lorenzo Customs Office informed you by resolution 373/2013, **the opening of an investigation against the company for "alleged" lack of foreign exchange settlement from exports for 2012 - 2013** period operations, for a fine of \$426.5 million. The pleading and evidence phase has been completed and pending the judgment, the company has not made any provision for this tax litigation.

From the above, it is clear that if the firm has a major tax setback, its financial commitment would be exacerbated. In the case of unsettled withholdings, they would be total is just over US\$ 37 million, which at the current exchange rate, gives an amount of \$2.2 billion, to which must be added the \$426.5 million. However, the \$2.7 billion of debt **represents approximately 24% of the balances that the company has available** as part of the unallocated results of periods previous.

CONCLUSIONS

We are talking about the default of a company that in the period 2015 - 2018 will not did more than expand its turnover. In fact, if we take the last 14 years, only in the 2013 shows a slight retraction in sales. At the same time, the company is part of a corporate network which includes 16 firms in the country, and companies abroad in Uruguay, Paraguay, Brazil and Spain. It is appropriate to add at this point the role of the company Renova within the structure of the Group. This company materializes the agreement Vicentin's strategic partnership with Glencore Group, a world grain trader. Agreement that has led to a situation today where, in certain activities, it is difficult to separate that it belongs to the Vicentin Group and that it belongs to the Glencore Group. While the majority stake in Renova refers to foreign firms (Glencore and Vicentin Paraguay), Renova ends up being a foreign company that serves to distribute profits predominantly to Geneva and Asunción.

During the process of indebtedness that Vicentin accumulated with Argentine National Bank ("*Banco de la Nación Argentina*"), it exceeded the limits to which he could have access according to the corresponding regulations set by the Regulatory Body for Large Companies. However, and without foundation the company obtained the refinancing it required without making any cancellations to be brought back into compliance. Strangely enough, the decision of violating the Central Bank's regulations for large companies was not taken by an act administrative board of directors of the Bank. It was a decision that ran under the responsibility of the management in charge. That is, the political authorities of the bank in the previous management did not want to leave any marks on this decision. However, in the corridors of the Argentine National Bank it is said that in the many meetings with the company Vicentin to try to impose on it the need to return to the regulations, as opposed to the demands of the bank's officials, the owners of the firm crossed from the Argentine National Bank to the Casa Rosada to speak directly to the President. This, then

became a call from the Presidency of Mauricio Macri to the former President of Argentine National Bank ("*Banco de la Nación Argentina*") González Fraga who was in charge of drawing attention to the bank officers to raid the company's requirements.

None of the available numbers justify Vincent's sudden financial crisis. The main contributor of "together for change" ("Juntos por el Cambio") in the last election began to default on payments to Argentine National Bank ("*Banco de la Nación Argentina*") almost simultaneously with the choice of the PASO elections and the defeat of Mauricio Macri

The complex corporate structure, the existence of controlled companies abroad, the behavior of the company through the information contained in their balance sheets, forces to displace the entrepreneurial argument that links the firm's crisis to what they call financial stress. On top of that, The AFIP's lawsuits against the company are based on doubts that point to cost overestimation and to the alteration of the basis on which the export duties should be calculated. In other words, the AFIP supposes that the company incurred into the crime of under-declaring exports. Clearly the "dead" that the administration Macri - Fraga left at Argentine National Bank ("*Banco de la Nación Argentina*") is the result of a fraudulent maneuver with the firm in complicity with the previous political leadership of the country and the financial institution.